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Granholt Tax Increases Fall Short In Senate Action Thursday

Sikkema: 'It's time to compromise so we can balance Michigan's budget and get back to our top priority of creating jobs and growing our economy'

Lansing - Majority Leader Ken Sikkema said today's failure of Governor Granholt's three revenue proposals shows no support for raising taxes unless other budget priorities like jobs and education receive a portion of the funding.

"Today's vote sends the clear signal that it's time to compromise so we can balance Michigan's budget and get back to our top priority of creating jobs and growing our economy," Sikkema said. "No one party can have all its own way in determining budget priorities, not the governor, not the Legislature. That's why all parties need to sit down and hammer out a workable compromise."

Senators did not muster enough votes to adopt the governor's proposed increases to the cigarette tax, the tax on personal estates, and the state-regulated wholesale liquor price. The Senate also defeated a measure to double the tax rate on Detroit's three casinos. Lawmakers and the governor are trying to fill a nearly \$1 billion funding gap in the 2004 and 2005 budgets.

Sikkema, R-Wyoming, said lawmakers are frustrated with the lack of progress of budget negotiations with the Granholt administration, especially with the governor's refusal to allow any tax revenue to help fund other budget priorities.

"I support funding Medicaid, but not at the expense of creating jobs, supporting education, or developing Michigan's high-tech and life sciences economy," Sikkema said. "Senate Republicans will work for a budget compromise that balances the priorities of all the people of Michigan, not just a selected few."

Sikkema noted that in 2002, when then-Governor Engler proposed increasing the tobacco tax to shore up public school funding, he offered numerous concessions to Democrat lawmakers in order to secure passage for the increase.

"When everyone decides to compromise, we will have a balanced budget in Michigan," Sikkema said. "I've offered the administration several proposals where the Republican Legislature has sacrificed many of our priorities in the hope of reaching an agreement that benefits all of Michigan. To date, the Granholt administration's recalcitrant stance to our overtures is counterproductive to our shared task of balancing the budget."

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28TH SENATE DISTRICT